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DIA and DOS review(s) completed.

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CONFIDENTIALI

1. Qavam expects settlement with Soviets to take "some time" -- Qavam told Ambassador Murray on 29 March that he had not yet reached an agreement with the Soviets and considered that final understanding would still take some time. He said that he had delivered to the Soviet Ambassador answers to the three notes which the latter had given him on 24 March. The first two replies apparently follow the lines indicated by Qavam to Murray on 27 March

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and the third reply was an answer to the Soviet offer of intercession in the Azerbaijan situation. Qavam informed the Soviets that unless his proposals on Azerbaijan were accepted, he would regard any oil agreement as invalid. He promised Murray that he would also drop the oil agreement, if Soviet troop withdrawals were not carried out on schedule.

If these replies result in an agreement, Qavam plans to instruct Ambassador Ala to see that the Iranian question remains of "continuing concern" to the Security Council until "the last Soviet soldier has left Iran." Qavam assured Murray that he would authorize Ala (a) to divulge to the Security Council Iran's current negotiations with the USSR, but only in response to questions put to him by Council members, and (b) to inform the Council of all details when any agreement is signed.

US Consul Tabriz reports that "ostentatious" Soviet troop movements, indicating evacuation from Azerbaijan was under way, started in the Tabriz area on 30 March. Evacuation from Soviet-occupied areas north of Tabriz was reportedly either well under way or about to begin.

EUROPE-AFRICA

2. ITALY: King considering abdication -- Admiral Stone, Chief of the Allied Commission, has received unofficial word from the Palace that King Victor Emanuel is seriously considering abdication rather than submit to the referendum on the future of the monarchy (scheduled for 2 June). Embassy Rome believes that such a move would probably strengthen the position of the monarchists in the June elections

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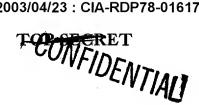
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- 3. BULGARIA: <u>Premier repudiates offer to opposition parties</u>—US Representative Barnes reports that, "three days before the announcement of the new Bulgarian cabinet. Premier Georgiev abruptly reversed his apparent conciliatory attitude towards the opposition and repudiated his previous offer to give the opposition two specific cabinet posts The new cabinet includes no opposition members and has the same political composition as its predecessor.
- 4. USSR: Molotov receives Ambassador Smith -- Ambassador Smith reports that during his courtesy call to Molotov, the latter declared that he saw no reason why "our past and present difficulties" could not be resolved and added that, while permanent prevention of war was difficult. it was not impossible to achieve. US Charge Kennan, who was also present, felt that the atmosphere of the interview was somewhat less cordial than on similar previous occasions.
- 5. CZECHOSLOVAKIA: Soviet military strength -- MA Prague reports that there are now no organized Soviet troops in Czechoslovakia. Recovery and supply guard detachments total 1,000 men; NKVD personnel, mostly in civilian clothes, number between 2,000 and 3,000; and deserters from the Red Army are estimated at between 5,000 and 10,000, mostly roaming the country in illegal bands or as individual law breakers.
- 6. ALBANIA: <u>UNRRA violations reported</u>--The British, French and US Missions in Tirana report the following violations by Albania of its agreements with UNRRA: (a) UNRRA trucks are now being used openly for the movement of Army troops and stores; (b) the Hoxha Government has received greatly needed financial aid from funds raised by the sale of UNRRA supplies; and(c) the Government has refused permission to UNRRA representatives to check up on the distribution of UNRRA supplies outside of Tirana.



FAR EAST

- 7. CHINA: Kuomintang right-wing threatens reform program--Though the Kuomintang right-wing is continuing its efforts to recast the basic program of constitutional reform agreed upon by the People's Consultative Council, Embassy Chungking reports there is no evidence that the Generalissimo has back-tracked on his public support of the PCC resolutions. The Embassy suggests that the US consider bolstering Chiang's public position by some indication that full implementation of the PCC program is essential to lasting stability in China. The uncertain situation in Manchuria, the Embassy declares, tends to strengthen the position of irreconcilables in the Kuomintang by offering them a plausible excuse for opposing any limitation on Kuomintang authority.
- 8. KOREA: Soviet expectations—General Hodge reports that the Political Advisor to the Soviet Commander in Korea recently expressed the following "personal views": (a) a Provisional Government for Korea will be formed by the end of May, (b) after its formation all restrictions on the movements of persons and goods between the US and Soviet zones will be removed, and (c) troops will remain (presumably during the entire tutelary period) to prevent civil disturbances.

THE AMERICAS

9. HAITI: Junta requests US firearms—The US Military Attache in Port au Prince reports that the Military Junta wishes to buy from the US a small amount of firearms and ammunition for the Haitian police in anticipation of possible disorders or an attempted coup during the 12 May elections. Both the Military Attache and the US representative in Haiti recommend that the arms be supplied.